

MONTANA LEGISLATIVE HISTORY

Chapter 678 19 91

Bill H _____ S 389 Original bill & history ____C

H. Committee on Education + Cultural Re-
sources

Hearing Date(s) Mar 19 ✓ C

Apr 01 ✓ C

_____ C

_____ C

Date Out Apr 01 ✓ C

S. Committee on Education + Cultural

Hearing Date(s) Feb 18 ✓ C Resources

_____ C

_____ C

_____ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

2/14	FIRST READING		
2/14	REFERRED TO BUSINESS & INDUSTRY		
2/21	HEARING		
2/22	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/23	2ND READING PASSED	49	0
2/25	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO JUDICIARY		
3/15	HEARING		
3/15	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/19	2ND READING CONCUR AS AMENDED		
	MOTION FAILED	39	60

SB 388 INTRODUCED BY VAN VALKENBURG, ET AL.
FIREARMS POLICY FOR PROBATION AND PAROLE OFFICERS

2/14	INTRODUCED		
2/14	FIRST READING		
2/14	REFERRED TO JUDICIARY		
2/22	HEARING		
2/23	COMMITTEE REPORT—BILL PASSED		
2/26	2ND READING PASSED	43	5
2/27	3RD READING PASSED	43	5
	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO JUDICIARY		
3/14	HEARING		
	DIED IN COMMITTEE		

SB 389 INTRODUCED BY VAN VALKENBURG, ET AL.
AUDIT OF ORGANIZATIONS RECEIVING MAJORITY OF FUNDS
FROM GOVERNMENT

2/14	INTRODUCED		
2/14	FIRST READING		
2/14	FISCAL NOTE REQUESTED		
2/14	REFERRED TO EDUCATION & CULTURAL RESOURCES		
2/18	HEARING		
2/18	FISCAL NOTE PRINTED		
2/18	FISCAL NOTE RECEIVED		
2/19	COMMITTEE REPORT—BILL PASSED		
2/21	2ND READING PASSED	47	2
2/22	3RD READING PASSED	45	4
	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO EDUCATION & CULTURAL RESOURCES		
3/19	HEARING		
4/02	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/06	2ND READING CONCURRED	88	0
4/06	ON MOTION RULES SUSPENDED TO PLACE ON 3RD READING THIS DAY		
4/06	3RD READING CONCURRED	96	0
	RETURNED TO SENATE WITH AMENDMENTS		
4/17	2ND READING AMENDMENTS CONCURRED	28	19
4/18	3RD READING AMENDMENTS CONCURRED	38	11
4/22	SIGNED BY PRESIDENT		
4/23	SIGNED BY SPEAKER		
4/23	TRANSMITTED TO GOVERNOR		
4/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 678		

EFFECTIVE DATE: 7/01/91

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0389, as introduced.DESCRIPTION OF PROPOSED LEGISLATION:

An act extending the authority of the Legislative Auditor to conduct audits of school-related organizations that receive a majority of their funding from school districts; requiring that prior to transferring funds to the organization, the school district require a written authorization of consent to audit; providing for payment of the audit costs; providing criteria for the audit; and providing an effective date.

ASSUMPTIONS:

1. The Legislative Auditor will not conduct these audits but will contract with a licensed CPA to conduct the audits. The cost of the audit will be borne by the entity (Section 1 (2)(b)).
2. The audits will be presented to the Legislative Audit Committee at a public hearing. The Audit Committee meets approximately 8 times a year so no additional meetings are assumed necessary.
3. The Legislative Auditor will use his established contract audit process.
4. No additional FTE will be necessary to administer these additional audits.
5. These audits will be conducted on a biennial basis for a two year period.
6. The legislation covers six entities in the state of Montana.
7. Costs incurred by the Legislative Auditor in the administration of these contracts will be reimbursed by the entity under audit (a contract provision).
8. Audits of entities involved will have an average contract cost of \$2,500.
9. Current law is represented by the executive budget request for the Office of Legislative Auditor.

FISCAL IMPACT:Office of the Legislative Auditor

	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
Operating Expenses	337,200	344,700	7,500	312,100	319,600	7,500
<u>Funding:</u>						
General Fund (01)	171,972	171,972	0	159,171	159,171	0
Audit Fees (02)	<u>165,228</u>	<u>172,728</u>	<u>7,500</u>	<u>152,929</u>	<u>160,429</u>	<u>7,500</u>
Total	337,200	344,700	7,500	312,100	319,600	7,500

Revenues:

Audit Fees/School-Related Org.(02)	0	7,500	7,500	0	7,500	7,500
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by Rod Sundsted 2/18/91
 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Fred R. Van Valkenburg 2-18-91
 FRED R. VAN VALKENBURG, PRIMARY SPONSOR DATE
 Fiscal Note for SB0389, as introduced **SB 389**

Fiscal Note Request, SB0389

Form BD-15

Page 2

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Audit costs will be borne by local organizations affected by the bill. School districts will be responsible for the costs of obtaining written consent from organizations before they receive funds.

TECHNICAL NOTES:

There is no definition for "organization" and no specific methodology for determining how and for which period a majority of funding is to be calculated.

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By SENATOR CHET BLAYLOCK, on February 18, 1991,
at 3:45 P. M.

ROLL CALL

Members Present:

Chet Blaylock, Chairman (D)
Harry Fritz, Vice Chairman (D)
Robert Brown (R)
Bill Farrell (R)
H.W. Hammond (R)
Dennis Nathe (R)
Dick Pinsoneault (D)
Mignon Waterman (D)
Bill Yellowtail (D)

Staff Present: Eddy McClure (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

HEARING ON SB 389

Presentation and Opening Statement by Sponsor:

Senator Van Valkenburg presented SB 389, an act to establish legislative audit of school organizations receiving majority of funds from government. The bill is specifically introduced to carry out one of the agreements that was entered into between Senator Van Valkenburg and the Montana High School Association during the middle of the 1989 session. Exhibit 1.

Opponents:

Bruce Moerer, Montana School Board Association testified in opposition to SB 389. He recalled that last session there was some dispute with the Montana High School Association regarding a bill introduced concerning the open meeting law. The bill was amended so it would apply to the regulatory bodies and the only one that it applied to was the Montana High School Association. since none of the other associations are regulatory in nature.

The speaker said that the way MSBA looks at this bill is that it says our board of 16 trustees from around the state that run our organization are not necessarily accountable and they object to being singled out. MSBA wouldn't object if this bill covered all such organizations that received federal funds but opposes the bill as it is drafted now. If the bill is written to cover all organizations that receive public funds, MSBA probably wouldn't oppose the bill.

Questions From Committee Members:

Senator Waterman asked why SB 389 doesn't include League of Cities and Towns and other organizations.

Senators Pinsoneault and Hammond questioned if the legislative auditor could direct an audit. In response Senator Van Valkenburg said that the audit would be by private auditors in compliance with conditions that the legislative auditor sets.

Senator Waterman asked if there is a fiscal note on SB 389 and the answer is yes. The cost of the audits would be approximately \$2000-2500 per audit with a maximum of five audits paid for by the organization.

Closing by Sponsor:

Senator Van Valkenburg closed hearing, urging support of SB 389.

HEARING ON SB 320

Presentation and Opening Statement by Sponsor:

Senator Harry Fritz presented SB 320 which would allow the Board of Regents of the university system to designate the campus of the University of Montana as a state arboretum.

Proponents' Testimony:

Mark Behan, Professor of Botany, University of Montana.
Exhibit 2.

Sheila Stearns, Legislative Liason to the University of Montana, testified in support of SB 320.

Patrick O'Leary representing Associated Students, University of Montana, testified in support of SB 320.

Questions From Committee Members:

Senator Hammond asked if this designation would deny other schools from establishing a state arboretum. He was told that other schools may establish an arboretum but the one at the University of Montana would be designated the state arboretum.

EXECUTIVE ACTION ON SB 320Motion and Vote:

SENATOR FRITZ MOVED that SB 320 BE AMENDED to strike "the" and insert "a" in Line 10 so that it would read "campus of University of Montana is a state arboretum". Unanimous vote DO NOT PASS. AMENDMENT NOT ADOPTED.

SENATOR FRITZ MOVED SB 320 DO PASS. Unanimous. MOTION CARRIED.

EXECUTIVE ACTION ON SB 389Motion and Vote:

SENATOR FARRELL MOVED SB 389 DO PASS. Vote was Seven aye; Two no. (Senators Hammond and Nathe) MOTION CARRIED.

Discussion regarding Pryor School:

Senator Yellowtail reported to the committee a financial situation currently existing for Pryor School which is located in his district. He said that Pryor school had requested financial help in order to avoid closure. The senator asked for the committee's guidance. He said that the Pryor School Board plans to cut operations to a minimum and seek support from the State Board of Investments.

Chip Erdman apologized for the late date of bringing this issue to the committee's attention. He said that OPI had been working with the Pryor School Board and the Board of Investments trying to work out a solution for the school without going to the Legislature; however, the Board of Investments feels that it is unable to help Pryor School under the current statute (Statute 28-9-471) which limits loan expenditures to the purchase of vehicles or making capital expenditures. The Board of Investments feels it could make a short term (5 year) loan to the Pryor School but the school would be limited and would not be able to use the money for general operating purposes under present law.

The Board of Investments feels this statute represents too narrow a scope to allow them to consider lending Pryor the money. Mr. Erdman reported to the committee that the Pryor School had been relatively healthy financially but had suffered a loss because of a bad administration. The situation is presently being investigated by the FBI and will soon be coming before a federal grand jury in Billings. The school has no reserves and very little tax base. They rely on 874 funds and don't have the ability to fund themselves between payments.

...or investments said they would be willing to testify in favor of the change in legislation which would allow funds to be used for purposes other than buying vehicles or capital expenditures. They think that flexibility is valuable not only in this case but others.

Senator Blaylock said about 3 years ago he was approached by a former student of his who teaches at the Pryor School. She informed him of the situation at Pryor. He said that he went to the Department of Commerce and forced an audit of the school records. Rick Bartos helped them. Pryor School now has a new administrative staff and honest, dedicated people who are doing everything they can to keep their school open.

Chip Erdman said that the school is seeking \$125,000 line of credit over a five years period of time.

Senator Nathe asked how the school planned to repay the loan. He was told that it would either be a revenue situation or tax anticipation note. The Board of Investments Loan document requires either the tax proceeds or the 874 funds be pledged. They lock it down tight before they grant the loan.

Senator Pinsoneault asked if the school involved high school and elementary. He was told yes. (150 students)

It was agreed that this proposal would have to be brought before the Senate in order to suspend rules and permit the Education Committee to request a bill to be introduced. If successful on the floor of the Senate, it would go to the Board of Investments and they would sell bonds to fund it. If not successful, it would have to start in the House as an appropriations bill. Committee agreed to bring this before the Senate.

EXECUTIVE ACTION ON HB 208

Discussion and Vote:

Senator Fritz said that he felt HB 208 should be tabled because it raised a much larger issue than elimination of the approval of the Department of Commerce for destruction of school records. He pointed out that HB 208 talks about "old, worthless records". He said that a records retention schedule is needed which would specify what kinds of records must be kept, what kinds can be destroyed and how long records must be kept before they are destroyed. He said that present guidelines in this state for records retention is not official but prepared by school business officers. (Two pages versus Kentucky's 125 page record retention guide). They need to be official and extended. Financial records are currently destroyed after five years but the Department of Commerce argues that those kinds of financial records should be kept for 7 years for purposes of audit and the unofficial guide says 8 years.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Ted Schye, on March 19, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Ted Schye, Chairman (D)
Ervin Davis, Vice-Chairman (D)
Steve Benedict (R)
Ernest Bergsagel (R)
Robert Clark (R)
Vicki Cocchiarella (D)
Fred "Fritz" Daily (D)
Alvin Ellis, Jr. (R)
Gary Feland (R)
Gary Forrester (D)
Floyd "Bob" Gervais (D)
H.S. "Sonny" Hanson (R)
Dan Harrington (D)
Tom Kilpatrick (D)
Bea McCarthy (D)
Scott McCulloch (D)
Richard Simpkins (R)
Barry "Spook" Stang (D)
Norm Wallin (R)
Diana Wyatt (D)

Staff Present: Eddy McClure, Legislative Council
Dianne McKittrick, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

HEARING ON SB 389

Presentation and Opening Statement by Sponsor:

SENATOR FRED VAN VALKENBURG, Senate District 30, Missoula, said SB 389 would give the legislative auditor the authority to conduct or contract for the conducting of audits of school related organizations who receive a majority of funding from taxpayer dollars. This bill results from efforts in the 1989 Legislative Session to get the attention of the Montana High School Association, (MHSA). The MHSA is a private, non-profit organization serving Montana's high schools with respect to the regulation of interscholastic activities. The MHSA operates

essentially by Foundation Program and taxpayer revenues paid in the form of dues from member schools. The MHSA was not paying attention to open meeting laws and public participation issues. The membership of the MHSA, being a close knit organization, did not appreciate or understand the value of public input. There were association expenditures many thought were inappropriate given the fact that most of the money they had to operate with were taxpayer dollars.

SB 403, introduced in 1989 session, would have placed the regulation of extracurricular activities under the supervision of the superintendent of public instruction. The MHSA then agreed to voluntarily change its mode of operation to clean up its image. SEN. VAN VALKENBURG presented a letter dated February 20, 1989 citing an agreement whereby the MHSA would conform to the open meeting and public participation aspect of state law, add two members to the board of directors, one appointed by the superintendent of public instruction and another by the governor, and agreement that membership dues be subjected to an audit.
EXHIBIT 1

SEN. VAN VALKENBURG asked the committee to resist amendments to be presented by Bruce Moerer of the Montana School Boards Association stressing when public funds are involved, organizations ought be subjected to the standards of a legislative audit whether it be the MHSA, MSBA or SAM.

Proponents' Testimony:

Bruce Moerer, Montana School Boards Association, (MSBA), said the original agreement was between the MHSA and Senator Van Valkenburg, while SB 389 obviously applies to many more organizations than the MHSA. If a school band conducts a candy sale an audit would be necessary since it would be funded from the activities of students. The MHSA is the only association with regulatory authority while the remaining are service and student organizations. The amendment limits the bill to the stated purpose and goes no further. **EXHIBITS 2 and 3**

Chip Erdmann, Montana Rural Education Association, stated support with the MSBA amendments. The original agreement and concern was with the MHSA and there wasn't any discussion to include other organizations or associations. There is no secret as to the funds and if a taxpayer wants to see records or audits they are welcome to do so. If there is no problem, why fix it? Mr. Erdmann said he could also see problems in funding the audits.

Jesse Long, School Administrators of Montana, (SAM), stated support with the amendments proposed by the MSBA. Most of the time SAM is a service organization and is not regulatory on administrators or students. He stated concern with the cost of \$2,500 per audit and said it would be prohibitive to the SAM.

Opponents' Testimony: None

Questions From Committee Members:

REP. DAILY asked SEN. VAN VALKENBURG to address the amendments. SEN. VAN VALKENBURG said these organizations are paying for audits already and won't be paying any more. The bill mainly deals with the MHSA and if the committee doesn't believe Foundation Program dollars that support the SAM or the MSBA ought to be audited, so be it. The Senate believes those are appropriate dollars for the state to be auditing.

REP. FORRESTER asked SEN. VAN VALKENBURG why the other organizations are being drawn into this legislation which originally targeted the MHSA. SEN. VAN VALKENBURG said where taxpayer dollars are concerned, it is appropriate.

REP. SIMPKINS asked John Northey, Legislative Auditors Office, if it might be feasible to include this in a centralized audit set up with the Department of Commerce. Mr. Northey said no, since that only relates to public entities and this is private, non-profit.

REP. SIMPKINS asked John Northey if the legislative auditor would accept the locally conducted audit. Mr. Northey said the office has a contract audit program in place which contracts out audits to certain entities. The legislative auditor would not impose an additional audit, but would negotiate the criteria by which the auditor conducts the audit. The office would write those specifications and work with the individual associations in determining those criteria.

REP. FORRESTER asked SEN. VAN VALKENBURG if the purpose of SB 389 is to intrude into the business affairs of the organizations via an audit. Is the intent a type of state control over the MSBA or SAM and why? SEN. VAN VALKENBURG answered the organizations are operating with Foundation Program dollars - tax money. They are not operating with private little contributions and ought to be subject to these criteria. The auditor would ensure the organization is only carrying out those activities authorized by law and following GAAP. If the organizations are not doing so, perhaps intrusion would be the correct word.

REP. FORRESTER asked SEN. VAN VALKENBURG if there is reason to believe any of these organizations are operating other than above board currently. SEN. VAN VALKENBURG answered no, but there is also no reason to believe the Department of Commerce, City of Billings or any other entity is operating contrary to law, but these entities are audited to make sure taxpayer dollars are being appropriately spent.

Closing by Sponsor:

SEN. VAN VALKENBURG thanked the committee and said he would appreciate support in whatever form thought appropriate.

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL

DATE 3-19-91

NAME	PRESENT	ABSENT	EXCUSED
REP. TED SCHYE, CHAIRMAN	✓		
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓		
REP. STEVE BENEDICT	✓		
REP. ERNEST BERGSAGEL	✓		
REP. ROBERT CLARK	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRED "FRITZ" DAILY	✓		
REP. ALVIN ELLIS, JR.	✓		
REP. GARY FELAND	✓		
REP. GARY FORRESTER	✓		
REP. FLOYD "BOB" GERVAIS	✓		
REP. H.S. "SONNY" HANSON	✓		
REP. DAN HARRINGTON	✓		
REP. TOM KILPATRICK	✓		
REP. BEA MCCARTHY	✓		
REP. SCOTT MCCULLOCH	✓		
REP. RICHARD SIMPKINS	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. NORM WALLIN	✓		
REP. DIANA WYATT	✓		

CS05ED.MAN

EXHIBIT ⁴¹DATE 3-19-91HB 389

Montana High School Association

1 South Dakota Avenue

Helena, MT 59601

(406) 442-6010

February 20, 1989

Senator Fred Van Valkenburg
Montana Senate
Capitol Station
Helena, MT 59620

Dear Senator Van Valkenburg:

The Montana High School Association has opposed SB 403 because it places regulation of extracurricular activities under the Office of Public Instruction. We oppose the legislation because the bill will vest all regulation with the OPI and in so doing will remove local control over extracurricular activities and transform those activities from a privilege to an educational right as part of a basic education. If so transformed, the state would assume funding responsibility for those rights without the ability to collect fees for this regulation from either school districts or from students. Further, the ability of school districts to collect activity fees would also be compromised.

However while opposed to such transfer of regulation, certain reforms either set forth in the bill or voiced by legislators are not resisted by the MHSA and the MHSA is willing to implement those reforms in an effort to respond to the spirit of the legislation and the concerns of the legislators.

First, the MHSA has already adopted a policy of inviting public comment at its regular quarterly board meetings. The MHSA will continue to follow this policy and expand that policy to allow opportunity for public comment during its annual meeting, committee meetings and membership meetings. Public comment will be extended to assure the full consequences of proposed regulations are fully understood before a vote by the membership.

Second, MHSA acknowledges that it receives membership dues from individual school districts. The MHSA acknowledges these funds have a public character. The MHSA agrees to request the legislative auditor to conduct an appropriate audit of its membership dues income and expenditures of those funds. This cost of the audit will be the responsibility of the MHSA. The audit will be requested for the fiscal year commencing July 1, 1989. In the event the legislative auditor declines the invitation to audit such funds, the MHSA will support future legislation authorizing the legislative auditor to conduct such audits of the MHSA dues income and expenses. Until passage of such legislation, MHSA shall be subject to an audit consistent with GAAP including a detailed breakdown of revenue from membership dues and expenditures of those funds relating to the regulation of the extracurricular activities of the member schools.

Third, MHSA presently invites a representative from OPI to attend its meetings for advise, coordination and direction. While this invitation has not been regularly accepted in the past, the MHSA will request the OPI to have a designated individual attend all board meetings. Additionally, at its 1990 annual meeting, the MHSA will propose to amend its bylaws increasing its board to seven members.

EXECUTIVE STAFF

Don L. Freund
Executive Director
James C. Haugen
Assistant Executive Director
Bill Sprinkle
Assistant to the
Executive Director

BOARD OF CONTROL

Supt. Tony Tognetti, Pres.
Stevensville
Supt. Dale Zorn, Vice Pres.
Shelby
Supt. Tom Warwick
Ennis
Prin. Dwight Moose
Helena High
Margaret Basta
Lindsay
(Mont. School Boards Assoc.)

Senator Fred Van Valkenburg
February 20, 1989
Page Two

EX-111 #1
DATE 3-19-91
SB 389

These reforms, we believe, address the real concerns which this legislature has identified, without subjecting the MHSA to direct regulation by the OPI and the consequences which, in our opinion, would be contrary to the best interests of the schools and the school children of Montana.

The MHSA respectfully requests that SB 403 be indefinitely postponed as these reforms are implemented.

Sincerely,

MONTANA HIGH SCHOOL ASSOCIATION



Dan L. Freund
Executive Director

DLF/jls

AMENDMENT TO SB 389

White Copy

Proposed by Montana School Boards Association

1. Page 1, lines 6 and 7:
Strike: "SCHOOL RELATED"
Following: "ORGANIZATIONS"
Insert: "SPECIFIED IN § 2-3-203 (2)"
Strike: "THAT RECEIVE A MAJORITY OF THEIR FUNDING
FROM SCHOOL DISTRICTS"
2. Page 1, line 8:
Following: "THE"
Strike: "SCHOOL DISTRICT"
Insert: "MEMBER"
3. Page 1, lines 17 through 21:
Following: "organizations"
Insert: "specified in § 2-3-203 (2)"
Strike: "that receive ... through end of line 21"
4. Page 2, line 23:
Following: "a"
Strike: "school district"
insert: "member"

2-3-114. Enforcement. The district courts of the state have jurisdiction to set aside an agency decision under this part upon petition made within 30 days of the date of the decision of any person whose rights have been prejudiced.

History: En. 82-4229 by Sec. 4, Ch. 491, L. 1975; amd. Sec. 25, Ch. 285, L. 1977; R.C.M. 1947, 82-4229.

Part 2 Open Meetings

2-3-201. Legislative intent — liberal construction. The legislature finds and declares that public boards, commissions, councils, and other public agencies in this state exist to aid in the conduct of the peoples' business. It is the intent of this part that actions and deliberations of all public agencies shall be conducted openly. The people of the state do not wish to abdicate their sovereignty to the agencies which serve them. Toward these ends, the provisions of the part shall be liberally construed.

History: En. Sec. 1, Ch. 159, L. 1963; R.C.M. 1947, 82-3401.

Cross-References

Right of public to examine documents or to observe deliberations of public bodies, Art. II, sec. 9, Mont. Const.

2-3-202. Meeting defined. As used in this part, "meeting" means the convening of a quorum of the constituent membership of a public agency or association described in 2-3-203, whether corporal or by means of electronic equipment, to hear, discuss, or act upon a matter over which the agency has supervision, control, jurisdiction, or advisory power.

History: En. 82-3404 by Sec. 2, Ch. 567, L. 1977; R.C.M. 1947, 82-3404; amd. Sec. 2, Ch. 183, L. 1987.

2-3-203. Meetings of public agencies and certain associations of public agencies to be open to public — exceptions. (1) All meetings of public or governmental bodies, boards, bureaus, commissions, agencies of the state, or any political subdivision of the state or organizations or agencies supported in whole or in part by public funds or expending public funds must be open to the public.

(2) All meetings of associations that are composed of public or governmental bodies referred to in subsection (1) and that regulate the rights, duties, or privileges of any individual must be open to the public.

(3) Provided, however, the presiding officer of any meeting may close the meeting during the time the discussion relates to a matter of individual privacy and then if and only if the presiding officer determines that the demands of individual privacy clearly exceed the merits of public disclosure. The right of individual privacy may be waived by the individual about whom the discussion pertains and, in that event, the meeting shall be open.

(4) However, a meeting may be closed to discuss a strategy to be followed with respect to collective bargaining or litigation when an open meeting would have a detrimental effect on the bargaining or litigating position of the public agency.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

COMMITTEE

BILL NO. SB 389

SPONSOR(S) Senator Van Valkenburg

PLEASE PRINT

PLEASE PRINT

[illegible]

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Motion/Vote: REP. COCCHIARELLA moved SJR 17 BE CONCURRED IN. Motion CARRIED upon voice vote 16 to 4 with REPS. FORRESTER, STANG, BERGSAGEL and SIMPKINS voting no.

EXECUTIVE ACTION ON SB 456

Motion: REP. HARRINGTON moved SB 456 BE CONCURRED IN.

Motion: REP. DAILY moved to adopt amendments to SB 456. EDDYE MCCLURE explained the amendments. EXHIBIT 1

Discussion: Chip Erdmann addressed the amendment saying the only controversial section was the last portion dealing with the redemption of registered warrants. The language dealing with the redemption of registered warrants was deleted along with the approval of the State Board.

Vote: Motion CARRIED upon unanimous voice vote.

Motion/Vote: REP. STANG made a substitute motion SB 456 BE CONCURRED IN AS AMENDED. Motion CARRIED upon unanimous voice vote.

EXECUTIVE ACTION ON SB 395

Motion: REP. DAVIS moved SB 395 BE CONCURRED IN.

Discussion: REP. BENEDICT asked how this legislation relates to REP. SPRING'S bill. REP. ELLIS said it doesn't, explaining in that bill the property was already in the district. There were people in the small elementary district that didn't have the right to vote for the trustees representing them on the high school board.

Vote: Motion CARRIED upon voice vote 19 to 1 with REP. STANG voting no.

EXECUTIVE ACTION ON SB 389

Motion: REP. FORRESTER moved SB 389 BE CONCURRED IN.

Motion: REP. FORRESTER moved to adopt the amendments to SB 389. EXHIBIT 2

Discussion: REP. FORRESTER said organizations such as the Montana High School Association, School Administrators of Montana, (SAM), Montana School Boards Association, and Montana Rural Education Association should be exempt from state audits. These organizations presently have audits that are available for review.

CHAIRMAN SCHYE asked if current audits are open to the public. BRUCE MOERER, Montana School Boards Association, (MSBA), answered

the MSBA would allow the public to see their audit. MSBA follows the open meeting law. It would be counter productive not to have that information available.

REP. DAILY said the MSBA and SAM should not be excluded from state audits since they are funded with tax dollars.

REP. FORRESTER said school boards traditionally make their budgets available which includes the contribution of the MSBA. Once the state intrudes with an audit what is next? Can the state limit funds expended to these organizations?

Vote: Motion CARRIED 15 to 5. EXHIBIT 3

Motion/Vote: REP. FORRESTER made a substitute motion SB 389 BE CONCURRED IN AS AMENDED. Motion CARRIED upon voice vote 16 to 4 with REPS. DAILY, HARRINGTON, KILPATRICK and MCCARTHY voting no.

EXECUTIVE ACTION ON SJR 21

Motion: REP. HARRINGTON moved SJR 21 BE CONCURRED IN.

Discussion: CHAIRMAN SCHYE allowed REP. ANGELA RUSSELL, House District 99, Lodge Grass to present written testimony since she was unable to attend the hearing. EXHIBIT 4 She also presented amendments to SJR 21. EXHIBIT 5

REP. FORRESTER asked on what part of the journey Sacajawea and Charbonneau accompanied Lewis and Clark. REP. RUSSELL said they journeyed from the Mandan village, across Montana, and to the Columbia drainage.

REP. MCCARTHY said the signs on the trail presently say "Lewis and Clark" and asked if it would be necessary to change them. REP. RUSSELL said she would like to see all the signs changed eventually. All people in Montana need to be educated and made aware of the journey and its integral players. SJR 21 is a beginning.

REP. BENEDICT asked about conflict with the spelling of Sacajawea. REP. RUSSELL said Sacajawea is the anglicized name and to be technically correct it would be necessary to contact the Mandans.

REP. WALLIN said on the capitol grounds in Bismarck, North Dakota the statue for Sacajawea is spelled "Sakakawea". REP. RUSSELL said she has not seen the statue but the proper spelling of her name needs to be carefully researched.

REP. SIMPKINS said this change will confuse the years of hard work by the folks in Great Falls in order to bring about the 9.5 million dollar investment to build the Lewis and Clark Interpretive Center and the identifications along the trail. The statues raised in Fort Benton and Great Falls have paid

HOUSE STANDING COMMITTEE REPORT

April 1, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that Senate Bill 389 (third reading copy -- blue) be concurred in as amended .

Signed: _____
Ted Schye, Chairman

Carried by: Rep. Forrester

And, that such amendments read:

1. Title, lines 6 and 7.
Strike: "SCHOOL-RELATED" on line 6
Following: "ORGANIZATIONS"
Strike: remainder of line 6 through "DISTRICTS" on line 7
Insert: "REFERRED TO IN SECTION 2-3-203(2), MCA"
2. Title, line 8.
Strike: "SCHOOL DISTRICT"
Insert: "MEMBER"
3. Page 1, lines 17 through 21.
Following: "organizations" on line 17
Strike: remainder of line 17 through "state" on line 21
Insert: "referred to in 2-3-203(2)"
4. Page 1, line 23.
Following: "a"
Strike: "school district"
Insert: "member"

EXHIBIT #2
DATE 4-1-91
HB SB 389

Amendments to Senate Bill No. 389
Third Reading Copy (Blue)

Requested by Rep. Forrester
For the House Committee on Education and Cultural Resources

Prepared by Eddye McClure
March 19, 1991

1. Title, lines 6 and 7.
Strike: "SCHOOL-RELATED" on line 6
Following: "ORGANIZATIONS"
Strike: remainder of line 6 through "DISTRICTS" on line 7
Insert: "REFERRED TO IN SECTION 2-3-203(2), MCA"
2. Title, line 8.
Strike: "SCHOOL DISTRICT"
Insert: "MEMBER"
3. Page 1, lines 17 through 21.
Following: "organizations" on line 17
Strike: remainder of line 17 through "state" on line 21
Insert: "referred to in 2-3-203(2)"
4. Page 1, line 23.
Following: "a"
Strike: "school district"
Insert: "member"

EXHIBIT 43
 DATE 4-1-91
 HB SB 389

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 4-1-91 BILL NO. SB 389 NUMBER _____
 MOTION: To Amend SB 389 by Rep. Forrester
CARRIED 15 aye 5 no

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN		✓
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓	
REP. STEVE BENEDICT	✓	
REP. ERNEST BERGSAGEL	✓	
REP. ROBERT CLARK	✓	
REP. VICKI COCCHIARELLA	✓	
REP. FRED "FRITZ" DAILY		✓
REP. ALVIN ELLIS, JR.	✓	
REP. GARY FELAND	✓	
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON	✓	
REP. DAN HARRINGTON		✓
REP. TOM KILPATRICK		✓
REP. BEA MCCARTHY		✓
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS	✓	
REP. BARRY "SPOOK" STANG	✓	
REP. NORM WALLIN	✓	
REP. DIANA WYATT	✓	
TOTAL	15	5